

LETTER OF UNDERSTANDING

BETWEEN:

Dawson Construction Limited
(Hereinafter referred to as "the Company")

AND:

International Union Operating Engineers, Local 115
(Hereinafter referred to as "the Union")

In recognition of the advent of "3" new job classifications, namely:

1. Junior Crusher Gradation Technician (Trainee)
2. Senior Crusher Gradation Technician
3. Quality Control Inspector/Manager

it is agreed that:

1. The Company shall be required to sign this agreement with the Union before they are able to apply the conditions set out herein.
2. This Letter of Understanding shall continue from October 22, 2004 to and including February 28, 2006 (directly tied to the Interior/Kootenay Road Builder's Agreement).
3. This Letter of Understanding shall become void and of no affect if it is found that the Company is involved in, or supports, double breasting.
4. All conditions of the Interior (Kamloops/Kootenay) Addendum and / or the Road Building Industry Standard Agreement shall apply to the job classifications listed in this Letter of Understanding, except as changed or amended by this Letter of Understanding.

JOB CLASSIFICATIONS AND WAGE RATES

1. Junior Crusher Gradation Technician (Trainee)

- Duties: sieve analysis
- Wage: \$14.50 per hour

This position is a training position only. Employees will train in this position for 6 to 10 months and then be moved to Senior Crusher Gradation Technician with the designated wage rate.

2. Senior Crusher Gradation Technician .

- Duties: sieve analysis, record analysis, quality control and quality assurance • .
- Wage: \$16.50 per hour

3. Quality Control Inspector/Manager (C.Tech or A.Sc.T. Certification required)

- Duties: nuclear densometer qualifications, knowledge of granular gradations and sieve analysis, quality control and quality assurance, record keeping
- Wage: \$20.50 per hour

Date of signing:

Benefit Plan	2.00
Pension Plan	3.60
Apprenticeship Plan	0.38
Working Dues	0.47
O.E. Advancement Fund	0.155
Rehabilitation Fund	0.02
Tool Allowance Fund	0.08
TOTAL	6.705

- The employees covered under this Letter of Understanding will be members of the Operating Engineers, Local 115-C. The cost of initiation will be the responsibility of Dawson Construction Limited and will be payable in full within 30 days of and employee being hired, unless he or she is already a member.
- It is agreed by both the Company and the Union that all gains both monetary and in benefits that are agreed to in the Interior (Kamloops/Kootenay) Road Builders Agreements, now and in the future, will apply to the employees covered by this Letter of Understanding.

6.

Signed this _____ day of _____ 2004 in Kamloops, BC

For the Company

For the Union

G. Procknow
Operations
Manager

T . G. Barley
Controller

T. Falladown
Regional Operations
Manager